

Towards a model for improved SME performance via entrepreneurial and business factors

Alfred Masakale¹

¹ Department of Business Management, University of Johannesburg, Johannesburg, South Africa, Orcid: 0000-0003-4501-8418

Keywords

Keyword 1; Theory of Reasoned Action

Keyword 2; Theory of Planned Behaviour

Keyword 3; Dynamic Capabilities

Keyword 4; Entrepreneurial Competencies

Keyword 5; Theory of entrepreneurship

Abstract

While resources are key for SMEs, there is increasing recognition that incorporating competencies, knowledge and flexibility, referred to as dynamic capabilities, is crucial for SMEs to grow and thrive in this dynamic business environment SMEs operate in today. The purpose of the article is to propose a model for improved SME performance, mediated by entrepreneurial competencies and dynamic capabilities, specifically discussing the theories that were instrumental in the proposed model. The model that this article seeks to develop would apply to entrepreneurs and SMEs whose aim is to grow and improve their performance via dynamic capabilities instead of resources. Based on an extensive review of the theoretical and empirical literature, the paper used past theoretical frameworks as well as a systematic literature review to posit a model. The article does a systematic review of the theories that were instrumental in developing the proposed model for improved SME performance through entrepreneurial competencies and dynamic capabilities. The article then argues the relevance of the theories in supporting the proposed model and contributes to the body of knowledge on the extended resource-based view on firm competitiveness by proposing a contribution that dynamic capabilities can make in improving SME performance.

1. Introduction

1.1. Background

The aim of the paper is to posit a framework proposing an improvement to small business performance. It must be positioned in the context of the research objective and the importance that

¹ E-mail address: amasakale@uj.ac.za

small and medium enterprises (SMEs) play in worldwide economies. SMEs are applauded for their part in contributing to the well-being of the societies in which they operate. These contributions can be in the form of jobs that reduce poverty in many economies, introduce new products, services and markets, and boost the country's GDP (Van Tonder, 2019:3). In countries such as Thailand, SMEs constitute the largest portion of all businesses in the region, comprising 93.8% of all entities (Bostan Ali, Olayinka, Alam and Immelman, 2024:3; Chittithaworn, 2011:180). Similarly, in the European Union (EU), SMEs represent 99% of all businesses, employing approximately 90 million people (Di, et al, 2023:2; Hope, 2015:1). In 2010, about 28 million businesses SMEs in the United States of America (USA) and 99.9% were small businesses that generated half of the country's GDP, were an engine of job creation and a force of innovation (Bygrave & Zacharakis, 2014:2-3). Today, according to the US Chamber of Commerce, the figure is 33.2 million small businesses, which still is 99% of business and contributes more than 43.5% of the country's GDP (US Chamber of Commerce: 2023). Thus, it is evident that SMEs play a special role in the success of many countries, and thus, their performance is crucial to many economies. Most SMEs represent more than 95% of businesses in these countries, employ more than 60% of the country's working population, and contribute enormously to these countries' GDP (Statistics South Africa, 2020).

The Global Entrepreneurship Monitor Report states that small businesses are classified according to economic characteristics in most economies, namely, innovative-driven economies, factor-driven economies, and efficiency-driven economies (Singer, Amorós & Moska, 2015:11). Generally, most research and studies globally on SME's success focus on these variables, mostly from a resource-based perspective, as these have been empirically tried and tested (Russo & Fouts, 2017:534). In the current rapidly changing business environment that contemporary business operates in, this perspective is losing ground as the world becomes more connected, and the paper and literature suggest that being resourceful rather than needing resources is the new way to gain a competitive advantage for SMEs. SMEs generally tend to lack the resources to compete, especially with big businesses, and some studies suggest that a distinctive approach to uncertainty and resourcefulness can add to their resilience (Sullivan-Taylor & Branicki, 2011:5565). Researchers such as Kolbe (2002:10) supported this view by adding that "more challenging conditions require an entrepreneurial mind to research the historical perspective of its existence and produce operative models with practical applications". The models should respond to the constantly changing, hypercompetitive business environment that SME operate in today (Kolbe, 2002:10).

To respond and be relevant in the hypercompetitive environment, SMEs need to avoid the "complacency trap" and be ready to be responsive and adapt to the environmental demands. The dynamic response, also known as a dynamic capability, is defined as a managerial ability "to

reconfigure a firm's resources and routines in the manner envisioned and deemed appropriate" (Robson, I., Ojiako, U. and Maguire, 2024; Chowdhury & Quaddus, 2017:190). Basuri, Arief & Propheto (2015:1141), in their study of manufacturing firms in Indonesia, showed how dynamic capabilities can improve SME performance. This also was supported by the study of 498 SMEs by Khan et al. (2020:1) in China, where intangible resources and dynamic management capabilities were shown to improve SME performance.

This study also highlighted management capital's role in SME performance in the new hypercompetitive environment. This hypercompetitive environment requires businesses to have a dynamic entrepreneurial mindset, which is resourceful and additionally has dynamic capabilities that allow them the flexibility and adaptability to give them a competitive advantage when taking a distinctive strategic stance. For the paper to have a discourse on the new approach that focuses on intangible capabilities and the importance of human capital, coupled with strategy to gain a competitive advantage, it is important to discuss the relevance and thinking behind the numerous studies that focused on these factors or variables and how they impact the performance of the business, specifically SME's. This paper refers to personal characteristics as personal entrepreneurial competencies as the focus is on the owners of the SME.

Literature is consistent in defining traits that are critical to the success of entrepreneurs, and these tend to focus on personal entrepreneurial factors such as personal characteristics and traits. When combined in certain ways, these tend to be varied, which will make a successful entrepreneur. These key success factors normally identified include skills and aptitudes, personal skills and traits, management skills and external factors (Nieuwenhuizen, 2020:90). Thus the focus is on the personal entrepreneurship factors that the study will define as entrepreneurial competencies. As SMEs also do not have extensive resources and therefore cannot rely on strategies that big companies with resources use, the importance and role of entrepreneurial competencies cannot be overstated in the growth and performance of SMEs. Sarwoko and Hadiwidjojo (2013:32) define entrepreneurial competencies as "individual characteristics including attitude and behavior that allow the entrepreneur to achieve business success." Studies such as that of Gunawan (2024:1) of 294 entrepreneurs operating in creative industries in Indonesia have confirmed the link between entrepreneurial competencies and business performance. Other studies, such as that of Zainol & Mamun (2018:299), who researched 384 SMEs in Malaysia, showed that competencies contribute to SMEs' competitive advantage. These also include an analysis of 178 SMEs in Malaysia that was conducted by Ng & Kee (2018:252), which proved that competencies contribute to the significant performance of SMEs. Entrepreneurial competencies have always been the missing link to successful entrepreneurship and include

knowledge, attitudes, and skills needed for a business's success (Inyang & Enuoh, 2009:63). Entrepreneurial competencies are crucial for small businesses to be competitive, and a lack of entrepreneurial competencies can cause a lack of growth. Business success depends on well-fostered entrepreneurial competencies that are sustainable in today's hypercompetitive business environment. As entrepreneurial competencies develop, they enhance dynamic organizational capabilities that the paper identifies as business factors. Entrepreneurial competencies are crucial for dynamic capabilities, and both are crucial to improving business performance (Kaluarachchige et al., 2023:105).

As discussed above, a business's dynamic capabilities help it strengthen its business performance. Business adaptation to these environments is one of the most crucial aspects of organizational success, as adaptation guarantees survival (Bertoncelj, Kovačič & Gošnik, 2010:7). Business adaptation, known as adaptive capacity, is one of the building blocks of the dynamic capabilities theories to be discussed later. Thus, dynamic capabilities such as adaptive capacity enable SMEs to respond to the temporary advantages of today's business environment. Interestingly, the study of dynamic capabilities is also linked to strategic management (Sollosy, 2013:23). Strategic management as a discipline is focused on understanding how competitive advantage influences business performance and will also be adapted by the paper to propose the conceptual model (Biloshapka & Osiyevskyy, 2018:1)

From the above, it is clear that there is a need to develop more frameworks that move away from a resource-based view to include more intangible success factors for SMEs, such as entrepreneurial competencies and business factors such as dynamic capabilities and strategic options. This is crucial, as shown above, that SMEs lack the resources big businesses have. To gain a competitive advantage, they need to use what they have available without needing many resources. Most studies focus on either dynamic capabilities or strategic management of SME performance, but others, such as that of Khan et al. (2020), started to incorporate both intangible resources (competencies) and dynamic capabilities and their effect on SME performance. Other studies, such as that of AlQershi (2021:1003), focused on strategic management and human capital influence on 235 SMEs in Yemen, but none link the paper's proposed variables to the conceptual model.

This paper aims to develop a model for improved SME performance through entrepreneurial and business factors. To that end, the paper explores three distinct theories that support the development of the proposed conceptual model. First, the theory of the tripartite model of the mind is discussed. This theory, which evolved from unidimensional theories such as reasoned action and the theory of planned behaviour, looks at how beliefs affect behaviour. The article also seeks to explain the theory of entrepreneurship, which proposes that entrepreneurial competencies first need to be developed before entrepreneurial rewards may be reaped in the second stage of the theory. Entrepreneurial

competencies allow the entrepreneur to utilize dynamic capabilities to realize rewards fully. Finally, the dynamic capabilities theory, which proposes that a business needs to utilize dynamic capabilities to mitigate the environmental forces of the ever-changing business environment, will also be expounded upon. Dynamic capabilities are proposed as moderators in the proposed model.

1.2. Problem Statement

This paper intends to do a systematic review of all the theories underlying the proposed model on how entrepreneurial competencies, mediated by dynamic capabilities, influence the performance of SMEs.

1.3. Research objectives

The paper did a systematic review of the literature on the theories that support the proposed conceptual model. Specially the paper reviewed the theories that underpin the following core concepts as proposed by the paper, namely:

2. Entrepreneurial competencies and components of the entrepreneurial competency model.
3. The theory of entrepreneurship
4. Dynamic Capabilities theory.

1.4 Literature Review

When conducting research, it is crucial that it is grounded on some theory relevant to the discipline where the study is conducted. The theoretical foundation represents the philosophical basis of the research and establishes the link between the study's theoretical and empirical aspects, if relevant. This paper is grounded in three theories, namely the theory of entrepreneurship (TOE), the theory of planned behavior (TPB), and the dynamic capabilities theory (DCT). These theories will form the basis of the proposed model and are briefly explained below.

1.4.1 THE TRIPARTITE MODEL OF THE MIND (TMoM)

The TMoM theory is instrumental in highlighting how competencies influence a person's behavior. Entrepreneurs' behavior, especially their attitude, has been known to influence how they maneuverer

the dynamic business environment and ultimately sustain business performance (Deng, Gao and Li, 2019). TMOm, sometimes referred to as the trilogy of the mind, helps explain the multi-dimensional view of attitude and its influences on the behaviour of an entrepreneur to sustain business performance. Before the multi-dimensional view of attitude was proposed in the TMOm, attitude as a predictor of behaviour was measured as a unidimensional component in determining behaviour. The unidimensional measurement of attitude considered that examining beliefs about behaviour can help a researcher gain insight into the attitude towards the behaviour (Fishbein & Ajzen, 2010). Wigfield (1994) posited that an individual's expectations are important determinants of motivation to act. An individual places value on an activity and an expectancy of the outcome. This is the main premise of the expectancy-value theory, that not everyone is attracted to the same results (Nieuwenhuizen, 2020). The expectancy-value model was one of the theories that supported the view of attitude as a one-dimensional attribute (Sollosy, 2013). Other theories that view attitude as a unidimensional element include the theory of reasoned action and the theory of planned behaviour as explained below, the most influential approached to predicting intentional behaviour or willingness (Hagger, 2019).

1.4.1.1 The Theory of Reasoned Action (TRA)

The theory of reasoned action (TRA) has its origins in the seminal work of Ajzen and Fishbein (1980), who had an interest in predicting an 'individual's willingness or intention to complete a task. Fishbein and Ajzen (2010) formulated the TRA after estimating the discrepancy between attitude and behaviour. They argued that behaviour measurement can be approached differently for each individual, but certain variables are constant and can help predict behaviour. The theory intended to predict deliberate behaviour as deliberative elements of behaviour (Ajzen, 1991). The theory suggested that there has to be an intention or willingness to do so before a person can act. The intention is a function of attitude toward the behaviour and the best predictor of behaviour.

Fishbein and Ajzen's (2010) theory suggested that intention is the single biggest predictor of human behaviour. Ajzen (1991) states that intention is the cognitive representation of a "person's readiness to perform a given behaviour, an immediate antecedent of behaviour and is under volitional control or will." Individuals have reserve energy that they release intentionally, depending on their attitude towards the action to be undertaken (Ferreira, Erasmus & Groenewald, 2013). Entrepreneurial intention, thus like attitude definition, influences the entrepreneur's attitude towards business growth (Lee, Kang and Kim, 2024:3). As proposed by the TRA, this intention to release energy affects one's attitude towards behaviour or willingness to act. Studies such as that of Lv et al. (2021) show the influence of entrepreneurial intention in developing entrepreneurial competencies. Thus, entrepreneurial competencies are posited in this paper as a construct of the proposed model.

As depicted in Figure 1, the TRA is based on two pillars: attitude and subjective norms (Trafimow, 2009).

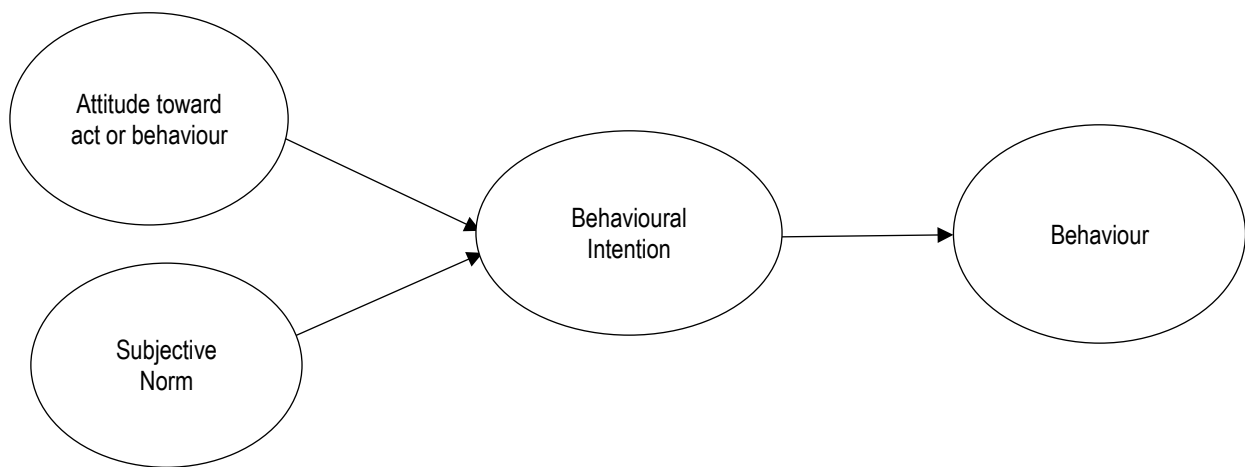


Figure 1: The theory of reasoned action (TRA)

Source: Madden, Ellen and Ajzen (1992:4)

As shown in Figure 1, the TRA's basic premise is that for an individual to do an activity, there has to be an underlying attitude, which determines whether they will follow through with what needs to be done. Fazio, Chen, McDonel and Sherman (1982:340), in their seminal work, define attitude as "an association between an object and an evaluation". More recent definitions of attitude define it as an evaluation of an object or state on a specific continuum, ranging from favourable to unfavourable (Samra, 2014; Ryckman, 2011). According to Ajzen (2005), attitude is not directed towards an object but rather towards behaviour. Fazio *et al.*, (1982) were the first to study and confirm the link between attitude and behaviour in their attitude-behaviour consistency study, which was concerned specifically with the degree to which people's attitudes predict their behaviour. Ajzen (2005) measured attitude as a unidimensional component, not as a multi-dimensional component, as proposed by the tripartite model of the mind to be discussed later. Samra (2014) argues that attitude has previously been measured as a unidimensional component simply because it was easier and less problematic than today's multi-dimensional approach to attitude measurement. As argued below, attitude has more depth and range than this, and the criticism against the unidimensional measure of attitude is that it is not well representative of the nature of attitude.

The second pillar, the subjective norm, is defined as "a person's perspective on what others will think about their behaviour" (Madden *et al.*, 1992:3). Subjective norm is defined as the human tendency to want society's approval before acting (Ajzen, 1991:181; Trafimow, 2009:501). In the context of entrepreneurial intention needed to develop entrepreneurial competencies, it simply states that if society does not think growing a business is good, the entrepreneur is less likely to start or have the

intention to grow the business. Ajzen (2005) proposes that intentions alone cannot help understanding reasons for behaviour and other determinants of behaviour need to be understood, thus the need to include subjective norm to understand behaviour in the TRA model. Perhaps the most interesting idea that could be drawn from above is the idea that social norms have an influence on entrepreneurial intentions. Subjective norms are a reasonable predictor of subsequent action. Orser, Hogarth-Scott and Wright (1998:366) state that concerning subjective norms, the most influential persons to an entrepreneur's behaviour tend to be partners, bankers, children, employees and clients. Botham, Bridge and Crowley, (2012) research results also show that partners and children have the most impact on entrepreneurial intention. Thus, subjective norms have been established to be a strong predictor of entrepreneurial intention and orientation. This is because entrepreneurial orientation is linked to a person's real intention when they intend to start a business (Kabir, Ahasanul and Sarwar (2017:11-12).

The TRA proposes that action depends on attitudes (derived from beliefs) and subjective or social norms. It is not what other people think but what the individual perceives them to believe. Subjective norms and attitudes combine to determine intentions defined as the will to perform a specific behaviour, the basis for the TRA. The TRA proposes that attitude, especially towards releasing reserve energy and alignment to social expectations, can influence a person's behaviour (Bertoncelj & Kovač, 2009:360). Attitude and subjective norms together influence the intention to act. Intention influences attitude and attitude can predict behaviour, which is completely under volitional control.

1.4.1.3 The Theory of Planned Behaviour (TPB)

The TRA has its shortcomings as it tends to apply to situations where individuals have control over their behaviour, which does not apply to any other conditions. Due to its shortcomings, Ajzen (1991) proposed an extension of the TRA to deal with the model's shortcomings. This resulted in a third dimension called perceived behavioural control (PBC), defined as how much control the individual sees regarding the behaviour and its outcomes (Trafimow, 2009:501; Ajzen, 1991:181). Perceived behavioural control describes an intention that is not volitional and is controlled by the individual's perception of completing a task. It improved the TRA, which also gave rise to the theory of planned behaviour, which proposes to predict and explain human behaviour in a specific context only. The TPB sees behaviour as being influenced by attitudes and subjective norms, as suggested by the TRA, but with the further addition of perceived behavioural control. Perceived behavioural control is the extent to which the individual believes growth is under their control, further influencing entrepreneurial orientation. For example, an intention to start a business is derived from a subjective assessment of the entrepreneurs' ability. The potential entrepreneur will also assess their perceived

personal capability and "perceived social pressure to perform or not perform the behaviour" (Malebana & Swanepoel, 2015:93). The TPB has been previously used in several studies to explain and predict many entrepreneurial intentions and actions (Kabir *et al.*, 2017:1; Malebana & Swanepoel, 2015:93). Figure 2 is a depiction of the theory of planned action.

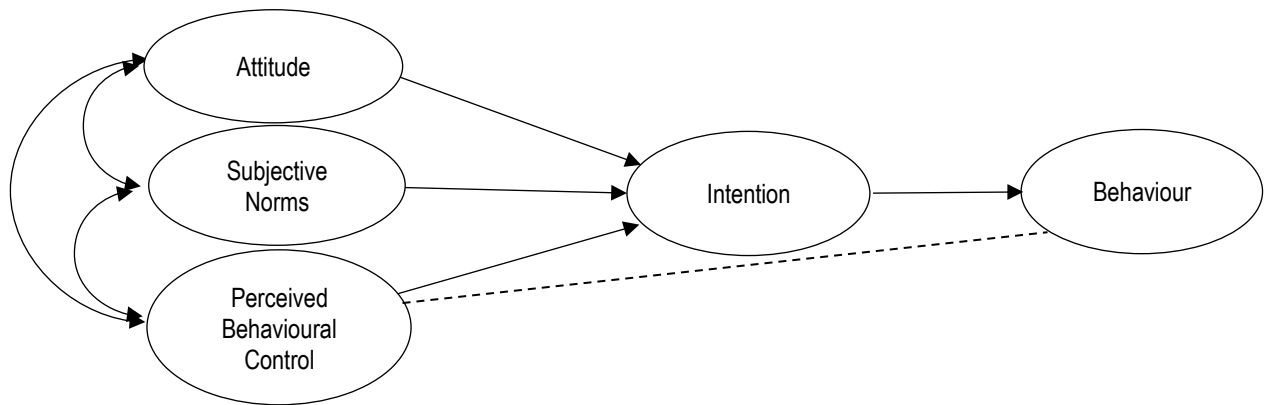


Figure 2: Theory of planned behaviour

Source: Ajzen (1991:182)

Figure 2.2 depicts the three constructs of the TPB theory, namely, attitude, subjective norms and perceived behavioural control. The TPB is a social psychology concept that supports the view that starting and growing a business must be intentional and planned. Intention to grow the business is seen as an antecedent to intentions to start a business and a reasonably reliable business growth predictor. The intent in itself can be explained by attitudes, social norms and perceived feasibility of achieving a specific outcome from the behaviour. These constructs make up the TRA and TPB model proposals. The TRA and TPB have been most extensively tested in business formation, entrepreneurial intentions, growth intentions, and behaviours to grow the business. The theories are also very instrumental to the paper as intention leads to the development of entrepreneurial competencies, a variable as proposed by the conceptual model of the paper.

However, the TRA and TRB theories have their shortcomings when tested empirically. The main criticism of these unidimensional theories is that there appears to be little empirical evidence explicitly showing that social norms affect the willingness or intent to start or grow a business (Botham *et al.*, 2012). Also, the TRA has been applied to situations in which the individual has complete control of their behaviour and its outcomes. This does not apply to growing a business, which has its challenges as the ever-changing entrepreneurial ecosystem demands the ability to change behaviour to suit the environment. The TRA and TPP are theories that view attitude as a univariate component in explaining behaviour. However, the late 1940s saw the birth of the multi-

dimensional measurement of attitude (Samra, 2014:144). These theories attempted to measure attitude from a multi-dimensional view and led to the birth of the tripartite model of the mind theory. The tripartite model of the mind theory, sometimes referred to as the trilogy of the mind theory, has influenced the development of the multi-dimensional view of attitude. It has been instrumental in developing the tripartite model of the mind that is of interest to the study, especially to how it plays a role in developing entrepreneurial competencies.

1.4.1.5 Components of the Tripartite Model of the Mind Theory

The tripartite model of the mind main premise is that three components or faculties influence behaviour: cognitive, affective and volitional or conative (Dennis et al, (2013). Wiklund *et al.* (2003:247) propose that these three faculties influence what a person believes. Beliefs are proposed to be linked to their cognition and affect the person's attitude toward completing a task. The three facets of the mind proposed by the tripartite model provide a greater perspective than the unidimensional view of personality when defining attitude (Belwalkar & Tobacyk, 2018:529). Cognition response is linked to their affection, contributing to the will to complete the task. Affection is related to volition, the innate nature and preposition to certain tasks. The tripartite theory of the mind has previously been empirically tested in earlier complex attitude studies (Samra, 2014:144). Figure 3 shows a depiction of the trilogy of the mind.

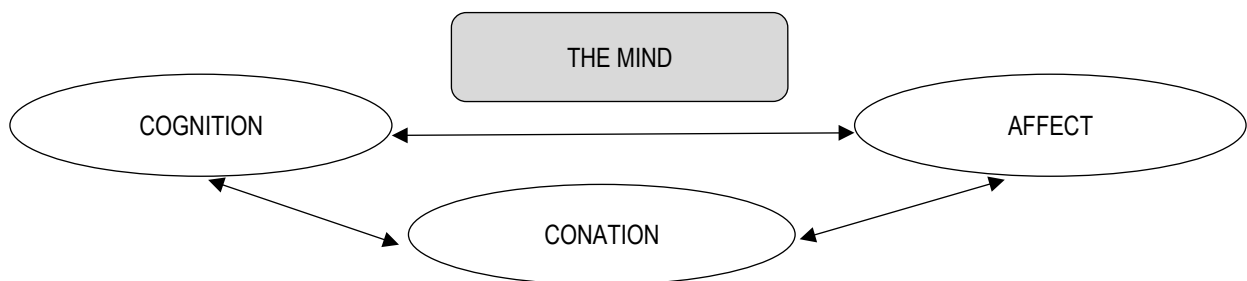


Figure 3: The trilogy of the mind

Source: Militello, Gentner, Swindler and Beisner (2006:240)

The trilogy of the mind theory has also played a significant role in the development of the entrepreneurial competencies model (ECM), which is discussed in the following section and instrumental to the theories that contributed to the paper's proposed model (Kovač, Meško & Bertoncelj, 2010:247). Entrepreneurial competencies form part of the paper's proposed model, warranting a discussion of the ECM, which evolved from the TMoM. The ECM is discussed to understand further the three faculties of the mind and how they affect behaviour, specifically

entrepreneurial behaviour. The paper proposed entrepreneurial competencies also consist of multiple components that influence behaviour, thus relevant to this section and the paper.

1.4.1.6 Entrepreneurial Competencies Model (ECM)

The ECM proposes that entrepreneurial competency is based on the "tripartite dichotomy of the mind, built up by the cognitive, affective and conative components of entrepreneurial competency" (Kovač *et al.*, 2010:248). The ECM supports the existence of the 'mind's three faculties or dimensions, as depicted in Figure 4).

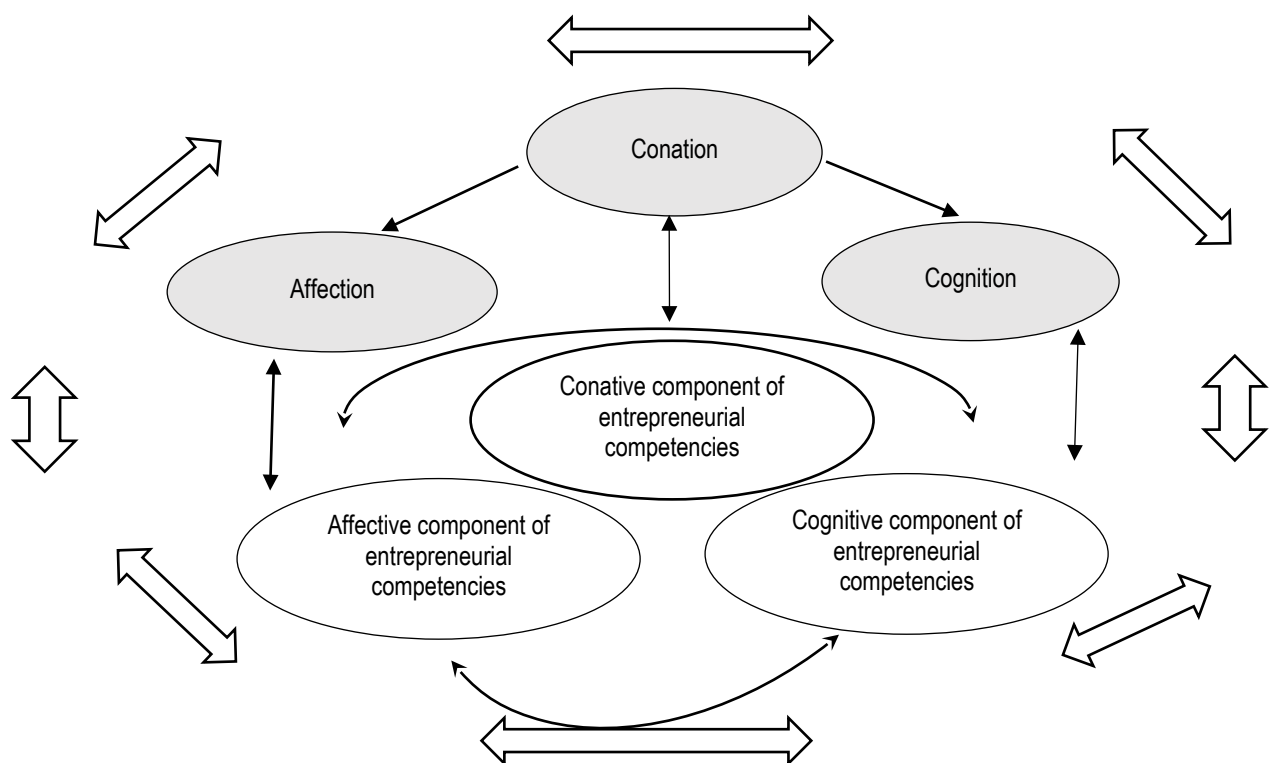


Figure 4: Framework model of the three components of entrepreneurial competencies

Source: (Kovač *et al.*, 2010:249).

Figure 4 depicts the three dimensions of the mind as entrepreneurial competencies. As a whole, these three components are of interest to the paper as entrepreneurial competencies are proposed to influence SMEs performance. The framework is made up of the theories that view attitude as a multidimensional element, as investigated and proposed by the paper. Other contemporary researchers are interested in the concept of the tripartite model of the mind theory, especially volition. These include Kathy Kolbe, who has adopted the term conation to explain volition or intention (Kolbe,

2011). Kolbe (2011) used the same components of the model in conation studies and categorized attitude towards behaviour into three faculties: cognitive, affective and conative. Most of Kolbe's work focuses on the conative faculty. Other researchers such as Kovač *et al.*, (2010), have also used the term conation to explain the volitional part, the affective component of the tripartite model of the mind.

Below is a brief discussion of the three components of the TMoM, especially in the context of the framework model of the three components of the entrepreneurial competencies model.

1.4.1.7 Cognitive as a Component of the Tripartite Model of the Mind

As a component of the entrepreneurial competencies model, cognition influences how individuals interact with their environment and how the person will ultimately choose to act or react to their surroundings. The cognitive component of the entrepreneurial competencies model deals with the intelligence quotient (IQ), which measures intelligence (Botha *et al.*, 2012). The cognitive component is most commonly recognized as the reasoning mind, and Kovač *et al.*, (2010) view cognition as a hard competency. Hard competencies include technical, conceptual and mental abilities, analytical, perceptive and reasoning skills needed to perform a task (Botha *et al.*, 2012). Cognitive skills include having mental capabilities and skills that enable a person to learn and perform certain tasks. Cognitive skills are part of the makeup of competency, and a "person's willingness to apply them is influenced by affective and conative factors" (Raven & Stephenson, 2001).

1.4.1.8 Affective as a Component of the Tripartite Model of the Mind

As a component of the entrepreneurial competencies model, the affective mind deals with the emotional side of attitude and action. Kovač *et al.*, (2010) view the affective component as a soft competency. Soft competencies include human skills such as intra- and interpersonal skills. Intrapersonal skills deal with managing oneself, while interpersonal skills relate to how one interacts with other people. The affective component also deals with emotional quotient (EQ), reflecting emotional intelligence (Botha *et al.*, 2012). Initially proposed by Goleman (2011), EQ refers to the "emotional interpretation of information and knowledge, generally about how an individual "feels' about information and knowledge" (Goleman & Boyatzis, 2017:3). Greater EQ is linked to a better ability to judge opportunities and use emotions for higher performance (Oriarewo, Agbim and Zever, 2014)

1.4.1.9 Conation as a Component of the Tripartite Model of the Mind

Conation is a component of the entrepreneurial competencies model that deals with willingness or volition and the inspired part of a person's nature that ensures that individuals act naturally and from their innate instinct (Kolbe, 2011:9). Waisel (2013:1) defines conation as that aspect of a person operating from their strength directed internally and innately. Conation definitions include "willingness", which Ferreira, Erasmus & Groenewald (2013:369) define as the combination of motivation, confidence and commitment to perform a task. Conation includes intrinsic motivation, will, self-regulation, self-direction and goal orientation. It is linked to self-efficacy, a trait proposed to be possessed by enterprising individuals. Conation focuses on the urge that drives a person from within, while cognitive and affective components are stimulated by external factors (Bairagi & Munot, 2019:1456). Previously, research tended to include conation as an affective faculty, but conation is discussed separately as it is a connection between the cognitive and the affective components in influencing action (Militello *et al.*, 2006:240).

To behave in a certain way, the three dimensions of the mind (cognitive, affective and conative) must be engaged for a person to act. Conation is a process that "links knowledge and affects to actions, reactions and interactions" (Waisel, 2013:1). Researchers such as Bandura (1999:21) support the view that cognitive and affective elements are not the only determinants of how people react to the environment. Other variables should be considered, as proposed in his social cognitive theory. Although Bandura's (1999:22) social cognitive theory argues the influence of the environment on behaviour, Kolbe's (2011:5) concept of conation states that no matter the environmental challenges or influence of other variables, one's innate nature when approaching problem solving will not change.

1.5 THE THEORY OF ENTREPRENEURSHIP

The theory of entrepreneurship explains the whole value creation experience of an entrepreneur, from the intention to start a business, opportunity recognition, and the development of entrepreneurial competencies until business success (Mishra & Zachary, 2015:251). The theory breaks down the entrepreneurial process into two stages: Stage 1 being value creation, during which entrepreneurial competencies are developed and necessary for Stage 2, called the appropriation stage, in which there are entrepreneurial rewards (Mishra & Zachary, 2015:252). The theory of entrepreneurship is instrumental for this paper as it will assist in explaining the role that entrepreneurial competency plays in influencing entrepreneurial intention and orientation.

1.5.1 The History and Development of the Theory of Entrepreneurship

Over the years, various theories have been developed and thoroughly applied in research projects and studies on entrepreneurship. These have been instrumental in the development of the theory of entrepreneurship. The following sections contain a discussion of the origins of this line of theory.

1.5.1.5 Schumpeter's Theory of Economic Development

Joseph Schumpeter's early work on entrepreneurship was instrumental in the development of the theory of entrepreneurship. Schumpeter was one of the first researchers to define entrepreneurship and proposed the view that an entrepreneur is innovative, opportunity orientated and takes calculated risks (Croritoru, 2012; Gupta, Guha & Krishnaswami, 2013). In his 1934 work, *The Theory of Economic Development*, Schumpeter emphasized an entrepreneur's role as an individual coordinating production factors to bring about economic change. The theory defines economic development as entrepreneurial activities that efficiently utilize organizational resources to aid economic development (Mishra & Zachary, 2015:254–255). Amiri & Marimaei (2012:151), for example, state that Schumpeter, who originated the term entrepreneurship, described entrepreneurship as "a process of change where innovation is the most vital function of the entrepreneur and a basic requirement for economic development in a free enterprise". Wadhvani *et al.* (2020:3) also support this view. Okpara (2007:6) further adds that Schumpeter believed that innovation is key to creating demand and thus value for enterprises, contributing to maintaining their competitive advantage in a dynamic entrepreneurial environment. Matzler *et al.*, (2009:11) also agree that Schumpeter was instrumental in stressing the importance of innovation in entrepreneurship and defined it as an endless cycle that continually produces goods and services. Innovation disrupts industries, and Schumpeter identified entrepreneurs as "creative destroyers", a term defining someone who brings change and disturbs the status quo in how things are done in the marketplace (Miller, 2014:2). Olawale and Garwe (2010:729) in addition state that Schumpeter also proposed that the creation of new firms by entrepreneurs was vital to the progress of capitalism. Entrepreneurs are an engine of capitalism, contributing to growth, taking advantage of opportunities at risk, and expecting to profit from risk-taking (Caliendo, Fossen & Kritikos: 2011:1).

Schumpeter was also the first to coin the term risk-taker as a trait of entrepreneurs, and this has led many researchers to include risk as one of the characteristics that define an entrepreneur (Wagener *et al.*, 2010). Schumpeter (1934) concentrated on "human action in the context of an economy of knowledge" and thus contributed to the paper as the focus of the paper is on entrepreneurial traits that influence business performance. Although Schumpeter's theory describes what an entrepreneur does,

Mishra and Zachary (2015:254) argue that it does not explain the entrepreneurial process and thus proposes the entrepreneurship theory to explain the process.

1.5.2 The Components of the Theory of Entrepreneurship

The theory of economic development proposed by Schumpeter was instrumental in developing the theory of entrepreneurship, sometimes referred to as the entrepreneurial value creation model, as depicted in Figure 5. In essence, the theory proposes two stages to the entrepreneurial process, described in depth in the following sections.

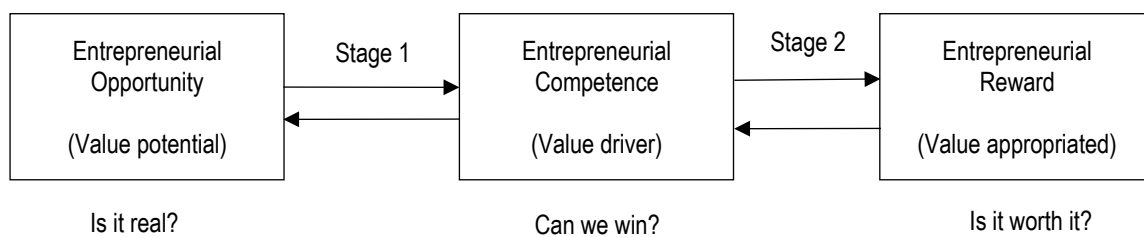


Figure 5: Entrepreneurial value creation mode

Source: Mishra and Zachary, 2015:253

1.5.2.5 Stage 1: Value Creation Stage

As depicted in Figure 5, the first stage of the theory involves entrepreneurial opportunity and entrepreneurial competencies development. The stage called the value creation stage, starts with entrepreneurial intention or aspiration for entrepreneurial rewards. This stage begins with the intention to recognise and explore opportunities (Pinelli, Lechner, Kraus and Liguori, 2022:262). As proposed by Ajzen and Fishbein, intention is the biggest predictor of behaviour (Linan, Rodriguez-Cohard & Rueda-Cantuche, 2011). The entrepreneurial intention is activated by the manifestation of an opportunity, which needs to exist for the entrepreneur to see and leverage resources to start the entrepreneurial journey. Intent drives the entrepreneur to adjust to the changing business environment to take advantage of the business environment's opportunities (Mishra & Zachary, 2015). Linan, Rodriguez-Cohard and Rueda-Cantuche (2011) define entrepreneurial intention as behaviours or traits that show entrepreneurial tendencies, such as identifying and taking advantage of an opportunity. The entrepreneurial intention, which is intrinsic and initiates the first stage, is the individual's decision to be an entrepreneur and pursue an opportunity. In essence, the theory proposes that an entrepreneur who intends to start a business in the first stage discovers an opportunity and then finds and reconfigures resources to take advantage of the opportunity.

How an entrepreneur handles the opportunity and the challenges they need to overcome develops their entrepreneurial competencies, which are crucial for the entrepreneur to move to the next stage. Entrepreneurial competency "embeds the entrepreneurial resources and the reconfigured opportunity" (Mishra & Zachary, 2015:252). They suggest that the resources need not be viewed as constrained, as the resource-based theory proposes, but as dynamic. They further propose that the reconfiguration of resources happens via an effectuation mechanism, and in the process, the entrepreneur develops entrepreneurial competencies.

Sarasvathy (2001) is one of the first researchers to use the term effectuation as linked to entrepreneurs and defines it as taking a "set of means as given and focusing on selecting between possible effects that can be created with that set of means". Simply put, the effectuation mechanism is defined as a person who creates from what they have, rather than from deciding on what they need and then creating. It describes how an entrepreneur approaches the opportunity at hand and how to use what you currently have to exploit a business opportunity (Coudounaris and Arvidsson (2019). Sarasvathy (2001:245) compares and contrasts the causation and effectuation processes when discussing how an entrepreneur approaches an opportunity. Causation is defined as "a process that takes a particular effect as given and focuses on selecting the means to create that effect", thus, resource-based when approaching an opportunity (Sarasvathy, 2001:245; Coudounaris and Arvidsson (2019). Traditionally, entrepreneurs were thought to pursue this causal approach to fix a target and then try to cause it to happen, and typically resource-dependent. In contrast, effectuation means that the entrepreneur would start by considering the available resources and then deciding how to put them together to create a business, based on the entrepreneur's entrepreneurial competencies or those still needing to be developed. The causal process is a more managerial way of doing things, while the effectual process is an entrepreneurial process (Duening, Shepherd & Czaplewski, 2012). Duening *et al.*, (2012) further suggest that effectuation is a trait that helps entrepreneurs make decisions different from typical managers, who are dependent on resources first to do their jobs.

Effectuation is viewed as a more recent subjective perspective of a new breed of entrepreneurs who approach entrepreneurship as an ad hoc experimentation and learning process in starting an enterprise (Valliere, 2015). Effectuation influences the decision-making process and tends to be more prevalent in entrepreneurial firms than in established ventures (Mishra & Zachary, 2015). Effectuation develops the entrepreneurial competencies necessary to reach a stage of appropriation where the entrepreneur is rewarded, as discussed in the next section.

1.5.2.6 Stage 2: Appropriation Framework

As depicted in Figure 5, the second stage of the theory of entrepreneurship involves entrepreneurial rewards. The entrepreneurial competencies developed in Stage 1 above give the entrepreneur a temporary advantage to move to the second stage. The second stage, called the appropriation framework, is where the entrepreneur is truly rewarded for their entrepreneurial value creation journey. This stage of the theory of entrepreneurship proposed by Mishra and Zachary (2015) is the venture monetization stage. Most small businesses do not make it to Stage 2 as they fail in Stage 1 or remain small indefinitely. Growth and value creation are sustained through the development of entrepreneurial competencies or the acquisition of dynamic capabilities.

1.5.3 The Value Creation Model

It is generally agreed that the primary functions of a business model are value creation and value capture. Value is created through a transformation system, which is the heart of the business. It relates to the steps an organization takes to transform inputs into outputs that satisfy the customer's desires (Nieuwenhuizen, 2020). Value is defined as a "subjective appreciation and satisfaction emerging from the interaction with the firm or growth in the stock market" (Biloshapka & Osiyevskyy, 2018). The firm first creates value, and the place where value is created is in its business model. The value-based theory of strategy is important in defining the business model value creation process (Biloshapka & Osiyevskyy, 2018).

Amit and Zott (2001) suggested that the business model value creation process should have four dimensions of value creation: customer lock-in, resource novelty, product-market complementary and resource efficiency. They suggest that if these value drivers are present and anchored in entrepreneurship, they enhance value creation. The business model value creation process is designed to leverage entrepreneurial competencies, a variable proposed to influence SME performance. These value drivers are briefly discussed below.

1. *Customer lock-in* is defined as the "customer motivation to engage in repeated transactions" that increase transaction volumes for the business and the availability of incentives to improve its association with its customers (Amit & Zott, 2001:505). Customer lock-in prevents the migration of customers to competitors and enhances a business's competitive advantage.

2. *Resource novelty* is linked to innovation and how value is created. Although traditional functional areas of business have been conventional sources of value creation, these new companies introduce new ways of conducting business transactions. These could include how a business

structures its transactions, and novelty is also linked to complementary as discussed below (Amit & Zott, 2001:508).

3. *Product-market complementary* occurs when bundling goods provides more value than having them separately. These can be horizontal or vertical complementary and are normally related to the core business transactions. Resource-based theory also notes the role of complementary as a source of value creation (Amit & Zott, 2001:504).

4. *Resource efficiency* defines transaction efficiency as one of the primary value drivers for a business. Transaction efficiency increases when costs per transaction decrease, which then lowers overall costs (Amit & Zott, 2001:503)

The four dimensions of value are all connected, and businesses sometimes use a combination of these dimensions to enhance their competitive advantage. Mishra and Zachary (2015:262) also propose four dimensions of value for the business model, designed to leverage entrepreneurial competencies. They propose that if the four dimensions are present in a business model's design, there is a likelihood of business survival and growth. Value chain analysis identifies the activities of the firm and the economic impact on the business. Also, the source of value creation refers to any factor that enhances total value creation (Amit & Zott, 2001).

Stage 2 depends on the entrepreneur's having developed sufficient entrepreneurial competencies to handle the challenge that the stage offers (Mishra & Zachary, 2015). This is the stage of the theory at which true value is created, and the abovementioned four dimensions are necessary for the business to create value for its customers. The theory of entrepreneurship also proposes that entrepreneurial competencies must develop fully to source the essential dynamic capabilities to make Stage 2 a success. Entrepreneurial competencies must be well developed to acquire dynamic capabilities or to approach potential investors who wish to acquire these capabilities. If, for example, the entrepreneurial competencies are not well developed and an entrepreneur needs support from investors, there is a likelihood that investors will likely want a more detailed business plan before investing in the needed dynamic capabilities to enable growth to occur.

Entrepreneurs now need competencies to enable them to build or acquire dynamic capabilities in order to grow, and dynamic capabilities are directly embedded in the model to sustain value and create rewards for the entrepreneur. The acquisition of dynamic capabilities is embedded in the business model, which leverages entrepreneurial competencies to generate entrepreneurial rewards. Now that the business model created by the entrepreneur in the first stage is embedded along with the dynamic capabilities that they need to organize to sustain value creation, the entrepreneur can realize

entrepreneurial rewards (Mishra & Zachary, 2015:253). The dynamic capabilities enhance these business model dimensions and set the business apart from its competition, which will be discussed below.

1.6 DYNAMIC CAPABILITY THEORY

As the paper aims to investigate the influence of entrepreneurial factors and business factors on SME operational performance, one cannot ignore the entrepreneurial ecosystem or environment in which these businesses operate. Entrepreneurs do not work in a vacuum, as their activities interact with the environment in which they operate. This environment – the entrepreneurial ecosystem – demands that entrepreneurs respond and use theories and models that are responsive to the changing nature of the hypercompetitive environment in which they operate. Kolbe (2002) agrees that more challenging conditions require an entrepreneurial mind to research the historical perspective of its existence and produce operative models with practical applications. The models should respond to the constantly changing, hypercompetitive business environment (Kolbe, 2002). In the hypercompetitive environment, businesses can have a temporary advantage over their competition (D'Aveni, Dagnino & Smith, 2010). It occurs when the dynamic business environment's frequency, boldness, and aggressiveness create constant disequilibrium and change. The hypercompetitive environment requires businesses to have dynamic capabilities that allow them flexibility and adaptability, which give them a competitive advantage and sustain performance.

To respond to the temporary advantage that today's business environment offers, businesses need to avoid the complacency trap and be ready to be responsive and adapt to the environmental demands – this is what is meant by having a dynamic response. A dynamic response is defined as a managerial ability "to reconfigure "firm's resources and routines in the manner envisioned and deemed appropriate" (Chowdhury & Quaddus, 2017:190; Zahra, Sapienza & Davidsson; 2006:918). This is also known as a dynamic capability and a business's dynamic capabilities help it to enhance business performance, especially relevant in today's hypercompetitive business setting (Zahra, Sapienza & Davidsson; 2006:3; Teece, Pisano & Shuen; 1997:515). Business adaptation to these environments is one of the most crucial aspects of organizational success, as adaptation guarantees survival and resilience (Bertoncelj Kavčič & Gošnik, 2010:7). Thus, dynamic capabilities enable businesses to respond to the temporary advantages of today's business environment and the paper intends to adopt the dynamic capabilities theory as a theoretical grounding for the proposed model. This theory is explained in the following section.

1.6.1 The History and Development of the Dynamic Capabilities Theory

The term dynamic capabilities have its origins in several schools of thought, including the evolutionary theory of the firm, transactional cost economics and behavioural theory (Dunning & Lundan, 2010:1255). These theories aimed to assist management in dealing with the dynamic environment that firms were experiencing in the early 2000s. All these theories were developed and applied to give businesses an edge in an environment where advantage was temporary. Other previously proposed models dealing with the changing business environment include the resource-based view, the distinctive competence theory, core and combative capabilities, and architectural competence theories (Wang & Ahmed, 2007:33).

In 1997, Teece *et al.*, (1997) published a study that was instrumental in initiating interest in the study of dynamic capabilities and its link to strategic management, thus sparking other empirical studies to assess its impact on business performance (Sollosy, 2013:23). Strategic management as a discipline is focused on understanding how competitive advantage influences business performance (Biloshapka & Osiyevskyy, 2018:1). One strategic management concept that was instrumental to developing the dynamic capabilities theory is the resource-based view, discussed below.

1.6.2 Resource-Based View

The resource-based theory is a strategic management concept that proposes that businesses that use their resources efficiently and effectively to navigate the mutable business environment can have and maintain a competitive advantage (Helfat & Peteraf, 2009:93; Sollosy, 2013:33:5). Barney (1991:105) originally posited a framework that defined how resources could be a source of competitive advantage and proposed that for resources to have a competitive advantage, they must be:

- valuable (V),
- rare (R),
- inimitable (I), and
- non-substitutable (N).

Barney's variables are collectively known as the VRIN framework (Nason and Wiklund, 2018:32). These variables on their own are a temporary advantage but combined with other competencies, they form strategic capabilities, which can give a business a competitive advantage (Wang & Ahmed, 2007). The VRIN framework defines a business's core competencies, including soft competencies

such as skills and abilities that enable resources to be deployed so that a business gains a competitive advantage (Johnson, Scholes and Whittington, 2009).

A competitive advantage occurs when a company shows profitability over its competition and maintains profitability over several years, basically allowing it to stand out in relation to its competition (Jones & Hill, 2013). Competitive advantage is key to strategic management as a strategy is meant to create value that is unique (Azeem, Ahmed, Haider and Sajjad, 2021:90). Dynamic capabilities (DC) is a strategic management tool available to SMEs to gain a competitive advantage. As a definition, DC allows for systematic problem-solving, senses opportunities and threats and implements strategic decisions and changes efficiently (Ferreira, Coelho and Moutinho, 2020).

Dynamic capabilities are organizational capabilities that explain a firm's capacity to deploy resources, and dynamic capabilities are resources that also include core competencies needed by an organization to stay resilient in this hypercompetitive environment in which SMEs operate (Grant and Jordan; 2012:122). Core competencies reflect the "collective learning of an organization" (Bateman & Snell, 2013:321). Dess, Lumpkin, Eisner & McNamara (2014:183) propose that three criteria need to be met for a core competency to create value, namely:

1. The core competency must create superior customer value.
2. Different businesses within the same company must be similar in at least one core competency.
3. The core competency must be difficult for the competition to imitate.

Figure 6 depicts how the core competencies, resources, and capabilities that make up the strategic competencies help businesses develop strategies to gain a competitive advantage and, ultimately, superior profits. These strategic competencies help build and shape the business's strategies to engage the business environment and determine how successful the business becomes.

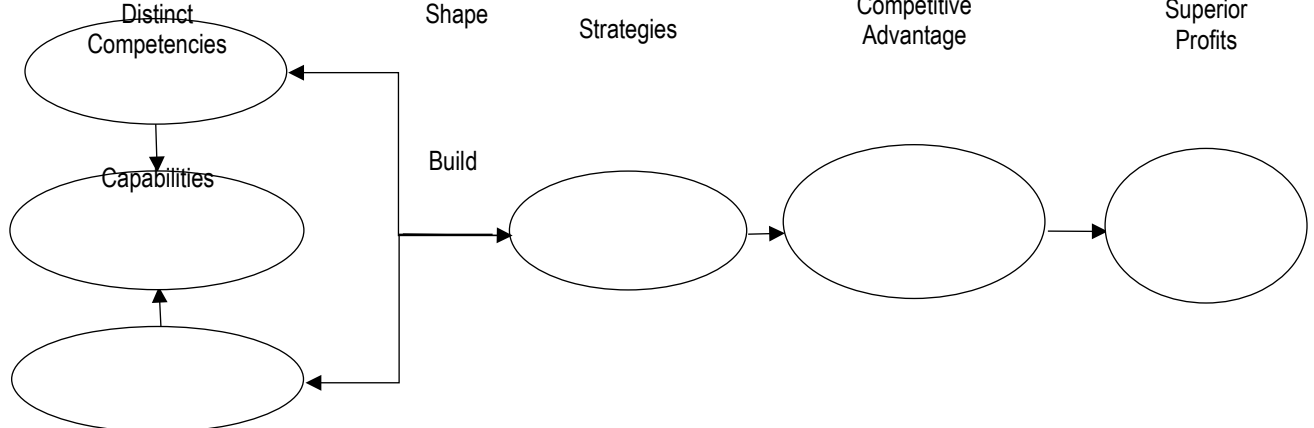


Figure 6: Strategy, resources, capabilities and competencies

Source: Jones and Hill (2013:85).

Dess *et al.*, (2014) further propose that a resource-based view has two perspectives: internal resource analysis and industry and competition analysis. The internal resource analysis looks at the business's financial side to see if the company has the funds to compete and its marketing, operations and human resources functions (Bateman & Snell, 2013). The external environment analysis comprises the micro-environment that the business influences, the immediate market environment that the business can influence, and the macro-environment over which the business does not have influence (Botha *et al.*, 2012).

SMEs and businesses generally have options such as low-cost, focus and differentiation strategies that are typically RBV view at their disposal to gain and maintain a competitive advantage, but dynamic capabilities can increase options that they have to engage the marketplace (Jones & Hill, 2013). While resources may give a temporary competitive advantage, in a dynamic environment, they cannot persist. It will be difficult for a business to be competitive only by using resources in a dynamic environment. As resources alone cannot give a business a competitive advantage, a dynamic approach is needed to be responsive to the challenges of the contemporary business environment.

The resource-based view proposes that a competitive advantage includes core competencies, technology, and resources. In contrast, the dynamic capabilities view suggests that businesses should have the ability to sense and capture new opportunities and generate new knowledge to enable the business to stay ahead of competitors (Dess *et al.*, 2014). The theory acknowledges the resource-based view that resources, capabilities, and core competencies shape and build strategies that enable competitive advantage, as depicted in Figure 6. As an extension, however, the dynamic capabilities theory is of the view that to navigate the changing business environment, a business needs to be able to rearrange its internal resources, strategic capabilities and competencies to sustain competitiveness (Capasso, Dagnino & Lanza, 2005; O'Reilly & Tushman, 2008, 1997). Adjusting capabilities and competencies distinguish the dynamic capabilities theory from the resource-based theory (de Pablos & Garaña, 2015; Krzakiewicz & Cyfert, 2017).

1.6.2.5 The components of the Dynamic Capabilities Theory

Dynamic capabilities of a small or medium-sized enterprise (SME) are essential for achieving entrepreneurial rewards, as proposed by the theory of entrepreneurship (Mishra & Zachary, 2015:252). The dynamic capabilities theory proposes that having a dynamic capability is to have the ability to build and protect "one's competitive advantage in changing business environments"

(Krzakiewicz & Cyfert, 2017). Wang and Ahmed's (2007) view is that dynamic capabilities do not merely encompass processes or structures but are embedded into an "organization's way of doing things." In addition, these resources are not easily transferred and have a source of long-term competitive advantage. Dynamic capabilities add value and create and adapt the organizational skills and knowledge to tackle the mutable business environment. A dynamic capability means the ability of a business to efficiently and effectively exploit its resources while simultaneously exploring opportunities, thus making it "ambidextrous". It also means that in the process of doing its business, a business will acquire knowledge, manage it and exploit it for its competitive advantage, thus having absorptive capacity. Ambidexterity also means adapting to the changing business environment, thus being adaptive capacity to the environmental demands. Absorptive capacity, adaptive capability and innovation enable entities to have a strategic advantage (van Lieshout, J.W., Van Der Velden, J.M., Blomme, R.J. and Peters, 2021:39)

SMEs need absorptive capacity, innovative adaptive capacity as dynamic capabilities. The third variable is innovative capacity, which is not proposed in the model for the purposes of the paper and is not discussed further but acknowledged. Absorptive capacity gives a business a competitive advantage in the hypercompetitive environment in which SMEs operate, while adaptive capacity allows an SME to adjust resources to seize temporary opportunities. These capabilities are crucial in addressing the challenges of the entrepreneurship theory's appropriation stage, proposed as mediating variables between the entrepreneur competencies and SME performance and are discussed below (Sollosy, 2013:28).

1.6.2.6 Absorptive capacity

Absorptive capacity is one of the three distinct components of dynamic capacity proposed by Sollosy (2013) – the others are adaptive and innovative capacity. Absorptive capacity refers to how organizations adapt to the constantly changing environment and utilize previously acquired knowledge to their benefit (Morabito, 2013:134). It is a concept that is closely linked to knowledge management in an organisation and relevant in today's management discourses as information is now the new currency as it can be exchanged without much cost and can affect business strategy (Kilduff, 2020:1)

Literature has also acknowledged that the fundamental force behind a firm's innovation, survival and growth has been the ability to apply commercial external knowledge, often referred to as adaptive capacity (Sancho-Zamora, Hernández-Perlines, Peña-García and Gutiérrez-Broncano; 2022). The paper intends to propose how adaptive capacity as a dynamic capability mediates between entrepreneurial factors and SME performance.

1.6.2.7 Adaptive Capacity

Adaptive capacity is one of the three distinct components of dynamic capacity proposed by Sollosy (2013) – the others are absorptive and innovative capacity as stated above. In order for an SME to be flexible to the external hypercompetitive environment, it needs to be adaptive, known as adaptive capacity Nowotarski and Paslawski (2015:48). Gutiérrez-Broncano, Linuesa-Langreo, Rubio-Andrés and Sastre-Castillo (2024:177) define adaptive capacity as the business's ability to identify and capitalize on opportunities in its environment and have flexibility to quickly respond to changes. The organisation's adaptive capacity focuses on how the organisation understands its core competencies and how those directly affect its ability to respond to these challenges (Bateman and Snell, 2013:321). Wang and Ahmed (2007:47) further argue that adaptive capacity aligns strategic resources to external challenges. Researchers such as Nguyen, Beeton, and Halog (2014:1) have emphasized the lack of empirical research on the impact of adaptability on SME performance. Thus, the present paper proposes to investigate how adaptive capacity and absorptive capacity, both components of dynamic capabilities, mediate the relationship between personal entrepreneurial competencies and SME performance.

2 Research Methodology

A thorough systematic review (SLR) of the literature was done to gather as much information as possible on theories and literature that support the proposed conceptual model. The focus was on the identification of theories to support the conceptual model. The goal of the SLR was to identify different theories to support the proposed model and also to intergrate various definition to a more accurate definition (Riierbusch and Teichmann (2023). The criteria for the search were all the theories that underpin the proposed conceptual model of the papers and their relevance to the model variables.

The researcher divided the topics into themes and the themes were selected to do a search on various databases and search engines. The search was done on various journals and online resources, including Google Scholar, Scopusand Web of Science. The journals and Google Scholar articles have been analysed using three main elements of the theoretical constructs as proposed by the paper's conceptual model and these included the key academic papers that guided the theories:

1. Entrepreneurial competencies - (Ajzen and Fishbein (1980), Kovač *et al.*, 2010:249).
2. Theory of entrepreneurship - (Mishra & Zachary, 2015).
3. Dynamic capabilities theory - Teece, Pisano & Shuen; 1997

The paper discussed the theories that underpin the objectives, which include the theory of entrepreneurship, entrepreneurial competencies, and the dynamic capabilities that are proposed to be instrumental in increasing the performance of SMEs. More than 90% of SME are typically known to not be able to survive for more than five years and the model proposed and the paper's intention is to propose a new model to improve the odds of these SME's, especially in the South African context (Adclick Africa, 2018:4)

The literature review of the theories underpinning the paper contributed to the development of a proposed conceptual model that also warrants further empirical investigation. The paper proposes that the relationships between personal entrepreneurial competencies, mediated by dynamic capabilities of absorptive and adaptive capacity, can have an influence on enhancing SME performance. Thus figure 7 below the proposed model for improved business performance:

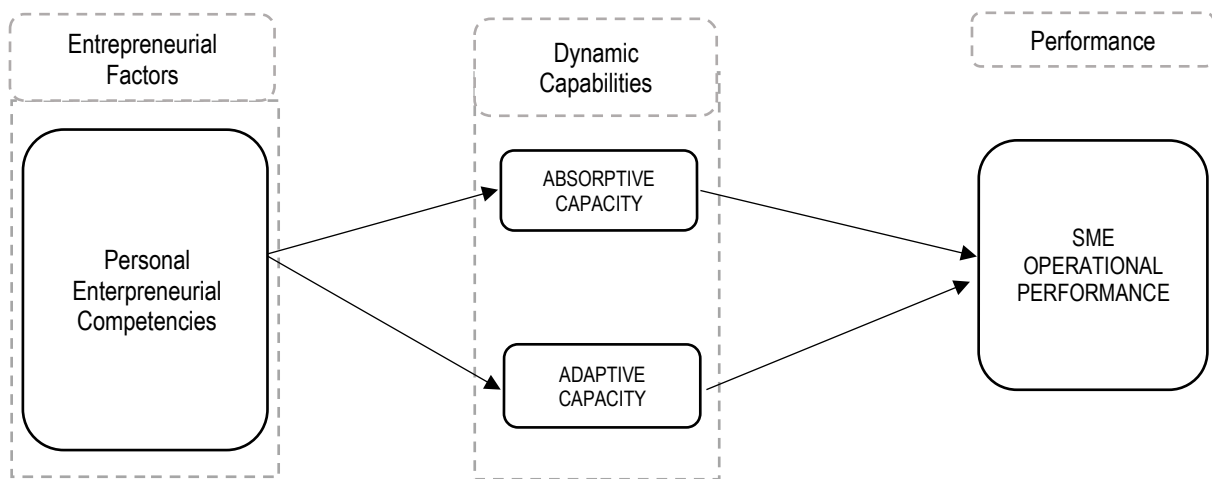


Figure 7: The proposed research conceptual model

A conceptual model visually represents a researcher's ideas, showing how different variables are interconnected. It helps understand the research objectives and development of the proposed model, which includes an antecedent (personal entrepreneurial competencies), two mediating variables, and one outcome variable (SME performance). The study suggests that personal entrepreneurial competencies, mediated by dynamic capability components, influence SME performance. Additionally, it examined all the theories that underpin the variables proposed.

2.4 Ethics

No ethical approval is needed as this paper did a systematic review of the literature

3 Managerial Implications

The paper proposes that the management discipline move away from a cognitively focused way of thinking to more affective and conative perspectives. By doing so, management can be more responsive to the environment by using resourcefulness and intuition instead of relying solely on resources for a competitive advantage. The application of all "three minds" cannot be underestimated, and more focus should be on these areas when managing SMEs and business in general. In addition, affective research, including emotional intelligence studies, is receiving increasingly more attention especially as the fourth industrial revolution (4IR) may mean that machines perform more of our cognitive duties in the future. The emotional and conative studies of the three minds, as proposed by the tripartite model of the mind, should take precedence, as machines may take over the role of knowledge and knowledge workers. This will allow adaptive SMEs to thrive in the future, as they will move with these changes. Specifically, the paper also proposes a focus on dynamic capabilities to enhance SME performance.

4 Conclusions, Limitations and Future Research

This paper's overall objective was to propose a model for improved SME performance through entrepreneurial competencies and dynamic capabilities. The paper proposes that the model be tested using empirical research to contribute to the theoretical understanding of the importance of personal entrepreneurial competencies to improve SME performance. The paper was grounded on the personal entrepreneurial competencies dynamic and dynamic capabilities theories, which are linked to SMEs sustaining performance in the environment. Thus, the paper proposes and contributes to these by investigating and recommending ways SMEs can enhance their performance through competencies and capabilities. The paper adds merit to the theories, which are important for SMEs to evaluate their resourcefulness and prioritise capabilities development to ensure superior performance. Therefore, this paper constitutes a significant contribution to the underlying variables relating to the entrepreneurial competencies and dynamic capabilities theories that negate the need for resources to compete in the Information Age. Resources traditionally tended to be tangible and SMEs need to focus on intangible assets such as competency development and capabilities to sustain themselves in their various industries in the current environment.

The paper supported and extended the resource-based view on firm competitiveness by demonstrating the significance of systematic management of capabilities. Therefore, this paper's general input to strategic management literature is that it has strengthened the theoretical discourse on entrepreneurial

competencies and the dynamic capabilities theory. Hence, the paper's interest is how the resourceful entrepreneur utilizes dynamic capabilities to mitigate the mutable entrepreneurial ecosystem to realize entrepreneurial rewards. Hopefully, the paper has increased our understanding of entrepreneurship phenomena and the need for entrepreneurial competencies to increase the chances of success of SMEs. Entrepreneurial competencies, when developed, enable the entrepreneur to increase the chances of acquiring the characteristics of a successful entrepreneur.

As SMEs operate in a very turbulent business environment, more research needs to be conducted on entrepreneurial competencies and dynamic capabilities. As these businesses move away from the resource-based view when engaging in the new business environment, the importance of dynamic capabilities and other theories to be resilient in these environments cannot be understated. The current research could also be extended to include all dynamic capabilities, specifically innovation, as this is the crown of SMEs. By incorporating innovation into the model, the paper could truly bring balance by including all components of the dynamic capabilities model. Innovation is one of the components excluded from the proposed model, and innovation happens when a creative idea is commercialized (Cropley, 2006).

5 References

- Adclick Africa (2018). Annual Report: An assessment of South Africa's SME landscape: Challenges, opportunities, risks and next steps. Available at <https://www.smallbusinessinstitute.co.za/wp-content/uploads/2019/12/AssessmentOfSAsSMELandscape.pdf>
- Ajzen, I. (1991). The theory of planned behaviour. *Organizational Behavior and Human Decision Processes*, 50(2), 179–211.
- Ajzen, I. (2005). Attitudes, Personality & Behavior. In *Open University Press*.
- Ajzen, L., & Fishbein, M. (1980). *Understanding attitudes and predicting social behaviour*. Prentice-Hall.
- AlQershi, N., 2021. Strategic thinking, strategic planning, strategic innovation and the performance of SMEs: The mediating role of human capital. *Management Science Letters*, 11(3), pp.1003-1012..
Doi: 10.5267/j.msl.2020.9.042
- Amiri, N. S., & Marimaei, M. R. (2012). Concept of Entrepreneurship and Entrepreneurs Traits and Characteristics. *Scholarly Journal of Business Administration*, 2(7), 150–155. <http://www.scholarly-journals.com/SJBA>
- Amit, R., & Zott, C. (2001). Value creation in e-business. *Strategic Management Journal*, 22(6–7), 493–520. <https://doi.org/10.1002/smj.187>
- Azeem, M., Ahmed, M., Haider, S. and Sajjad, M (2021). Expanding competitive advantage through organizational culture, knowledge sharing and organizational innovation. *Technology in Society*, 66, p.101635. doi.org/10.1016/j.techsoc.2021.101635
- Bairagi, V., & Munot, M. (2019). *Research Methodology - A practical and Scientific Approach*. CRC Press.
- Bandura, A. (1999). Social cognitive theory : An agentic Albert Bandura. *Asian Journal of Social Psychology*, 2(1), 21–41. <https://doi.org/10.1111/1467-839X.00024>
- Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), 91–120.
- Bateman, T. S. and Snell, S. (2013). *Management: Leading and collaborating in a competitive world*. McGraw-Hill Irwin. New York
- Basuri, Y., Arief, M. & Propheto, A. (2015). The role of leadership, dynamic capabilities, and organization culture, in company performance of manufacturing industries in Indonesia (Study in food and beverages industries). *Advanced Science Letters*, 21(5), 1141-1145
- Belwalkar, B. B., & Tobacyk, J. J. (2018). Toward a Tripartite Model and Measurement of Proactive Personality. *Journal of Personality Assessment*, 100(5), 529–538. <https://doi.org/10.1080/00223891.2018.1480488>
- Bertoncelj, A. and Kovač, D., (2009). Gender difference in the conative component of entrepreneurial orientation. *Journal for East European Management Studies*, 14(4), 357–368. ISSN 0949-6181
- Bertoncelj, A., Kavcic, K. and Gosnik, D (2010). Change forces and competencies in organisational

evolution in an era of innovative economy. *Managerial Challenges of the Contemporary Society. Proceedings*, p.7.

Biloshapka, V., & Osiyevskyy, O. (2018). Value creation mechanisms of business models: Proposition, targeting, appropriation, and delivery. *International Journal of Entrepreneurship and Innovation*, 19(3), 166–176. <https://doi.org/10.1177/1465750318782774>

Bostan Ali W, Olayinka JA, Alam M.M, Immelman A (2024). *Assessing economic implications for micro, small and medium enterprises in Thailand post Covid-19 lockdown*. PLoS ONE19(2): e0294890. <https://doi.org/10.1371/journal.pone.0294890>

Botham, R., Bridge, S., & Crowley, T. (2012). Business Growth Ambitions amongst 'SME's - Final Report. In *Scottish Enterprise* (Issue August). <https://doi.org/10.1115/1.802915.ch1>

Botha, S. S., Musengi, Sandra., & Alsemgeest, Liezel. (2012). *Introduction to business management : fresh perspectives* (Pearson, Ed.; 2nd edition). Pearson.

Bygrave, W. & Zacharakis, A. (2014). *Entrepreneurship*. 3rd ed. New Delhi: Wiley.

Caliendo, M., Fossen, F., & Kritikos, A. (2011). Personality Characteristics and the Decision to Become and Stay Self-Employed. *SOEP Paper, March*. <https://doi.org/10.2139/ssrn.1793171>

Capasso, A., Dagnino, G., & Lanza, A. (2005). *Strategic Capabilities and Knowledge Transfer Within and Between Organizations*. Edward Elgar Publishing.

Chittithaworn, C. (2011). Factors affecting business success of small & medium enterprises (SMEs) in Thailand. *Asian Social Science*, 180-190.

Chowdhury, M. M. H., & Quaddus, M. (2017). Supply chain resilience: Conceptualization and scale development using dynamic capability theory. *International Journal of Production Economics*, 188, 185–204. <https://doi.org/10.1016/j.ijpe.2017.03.020>

Coudounaris, D.N. and Arvidsson, H.G. (2022). How effectuation, causation and bricolage influence the international performance of firms via internationalisation strategy: a literature review. *Review of International Business and Strategy*, 32(2), pp.149-203. <http://dx.doi.org/10.2139/ssrn.3776163>

Cropley, D.H. (2006). The role of creativity as a driver of innovation. In *2006 IEEE international conference on management of innovation and technology* (Vol. 2, pp. 561-565). IEEE.

Croritoru, A. (2012). Schumpeter , J . A ., 1934 (2008). The Theory of Economic Development : An Inquiry into Profits , Capital , Credit , Interest and the *Journal of Comparative Research in Anthropology and Sociology*, 3(2), 137–148.

de Pablos, C., & Garaña, J. M. (2015). The Internationalization of Spanish SMEs from the Theory of Dynamic Capabilities. A New Management Structure Proposal that Relates the Creation of Competitive Advantage with the Key Factors that Drive the Process. *ESIC Market* 152, 46(3), 170–186.

- D'Aveni, R.A., Dagnino, G.B. and Smith, K.G.(2010). The age of temporary advantage. *Strategic management journal*, 31(13), 1371-1385.
- Deng, X., Gao, B. and Li, G., 2019. The effects of dynamic work environments on entrepreneurs' humble leader behaviors: Based on uncertainty reduction theory. *Frontiers in psychology*, 10, 2732.
- Dennis, M., Simic, N., Bigler, E.D., Abildskov, T., Agostino, A., Taylor, H.G., Rubin, K., Vannatta, K., Gerhardt, C.A., Stancin, T. and Yeates, K.O. (2013). Cognitive, affective, and conative theory of mind (ToM) in children with traumatic brain injury. *Developmental cognitive neuroscience*, 5, 25 - 39.
<http://dx.doi.org/10.1016/j.dcn.2012.11.006>
- Dess, G. G., Lumpkin, G. T., Eisner, A. B., & McNamara, G. (2014). *Strategic Management text and cases*. McGraw - Hill.
- Di, B.L., Katsinis, A., Laguera, G.J., Odenthal, L., Hell, M. and Lozar, B. (2023). Annual Report on European SMEs 2022/2023. Publications Office of the European Union, Luxemburg, 2023, doi:10.2760/028705, JRC134336.
- Duening, T., Shepherd, M., & Czaplewski, A. (2012). How entrepreneurs think: Why effectuation and effectual logic may be the key to successful enterprise entrepreneurship. *International Journal of Innovation Science*. <https://doi.org/10.1260/1757-2223.4.4.205>
- Dunning, J. H., & Lundan, S. M. (2010). The institutional origins of dynamic capabilities in multinational enterprises. *Industrial and Corporate Change*, 19(4), 1225–1246.
<https://doi.org/10.1093/icc/dtq029>
- Fazio, R. H., Chen, J. McDonel, E. C., & Sherman, S. J. (1982). Attitude accessibility, attitude-behaviour consistency, and the strength of the object-evaluation association. *Journal of Experimental Social Psychology*, 18(4), 339–357. [https://doi.org/10.1016/0022-1031\(82\)90058-0](https://doi.org/10.1016/0022-1031(82)90058-0)
- Ferreira, J., Coelho, A., & Moutinho, L. (2020). Dynamic capabilities, creativity and innovation capability and their impact on competitive advantage and firm performance: The moderating role of entrepreneurial orientation. *Technovation*, 92, 102061. <https://doi.org/10.1016/j.technovation>.
- Ferreira, E. J, Erasmus, A. W. & Groenewald, D. (2013). *Administrative management*. Juta and Company
- Fishbein, M., & Ajzen, I. (2010). *Predicting and Changing Behavior The Reasoned Action Approach* – Martin Fishbein, Icek Ajzen (p. 518). Psychology Press.
- Gutiérrez-Broncano, S., Linuesa-Langreo, J., Rubio-Andrés, M. and Sastre-Castillo, M.Á.(2024). Can hybrid strategy improve SME performance? The role of innovation and adaptive capacity. *European Journal of Innovation Management*, 27(9), 173-197.
- Goleman, D., (2011). *The brain and emotional intelligence: New insights* (Vol. 94). Northampton, MA: More than sound.
- Goleman, D., & Boyatzis, R. (2017). Emotional intelligence has 12 elements. Which do you need to work on. *Harvard Business Review*, 84, 1–5.
- Grant, R. M., & Jordan, J. (2012). *Foundations of strategy*. Wiley and Sons.

Gupta, P., Guha, S., & Krishnaswami, S. (2013). Firm growth and its determinants. *Journal of Innovation and Entrepreneurship*, 2(1), 15. <https://doi.org/10.1186/2192-5372-2-15>

Gunawan, A.F. (2024), "The impact of entrepreneurial characteristics and competencies on business performance in the creative industry in Indonesia", *Asia Pacific Journal of Innovation and Entrepreneurship*. <https://doi.org/10.1108/APJIE-09-2023-0172>

Hagger, M.S. (2019). The reasoned action approach and the theories of reasoned action and planned behavior. DOI: 10.1093/OBO/9780199828340-0240

Helfat, C. E., & Peteraf, M. A. (2009). Understanding dynamic capabilities: Progress along a developmental path. *Strategic Organization*, 7(1), 91–102. <https://doi.org/10.1177/1476127008100133>

Hope, K. (2015). *Annual Report on European SMEs 2015/2016*, Luxembourg: European Commission.

Inyang, B. & Enuoh, R.(2009). Entrepreneurial competencies: The missing link to successful entrepreneurship in Nigeria. *International Business Research*, 2(2), 62-71

Johnson, G., Scholes, K., & Whittington, R. (2009). *Exploring Corporate Strategy with MyStrategyLab: Text and Cases*. FT Prentice Hall. [https://doi.org/10.1016/0024-6301\(84\)90230-9](https://doi.org/10.1016/0024-6301(84)90230-9)

Jones, G. R., & Hill, C. W. L. (2013). *Theory of Strategic Management with Cases* (10th ed.). South-Western Cengage Learning.

Kabir, S., Ahasanul, H., & Sarwar, A. (2017). Factors Affecting the Intention to Become an entrepreneur : A Study from Bangladeshi Business. *International Journal of Engineering and Information Systems(IJEAIS)*, 1(6), 10 –19. [hal-01580857](https://doi.org/10.1158/0857)

Kaluarachchige, I.P., Yajid, A., Shukri, M., Khatibi, A. and Azam, S.M (2023). Entrepreneurial Competencies on Dynamic Capabilities towards Entrepreneur Performance in Sri Lanka's Community Based Tourism. *International Journal of Hospitality & Tourism Systems*, 16(1).

Khan, K.U., Atlas, F., Ghani, U., Akhtar, S. and Khan, F. (2020). Impact of intangible resources (dominant logic) on SMEs innovation performance, the mediating role of dynamic managerial capabilities: evidence from China. *European Journal of Innovation Management*. Doi: 10.1108/EJIM-07-2020-0276

Kilduff, T., 2020. " Identity" in Publishing: The New Currency. Available at <https://hcommons.org/deposits/objects/hc:30770/datastreams/CONTENT/content>

Kolbe, K. (2002). *The Wisdom of the Ages*. Chicago. Phoenix.

Kolbe, K. (2011). The conative connection - Acting on instincts. In *Addison Wesley, Reading*. Addison-Wesley.

- Kovač, D., Meško, M., & Bertonec, A. (2010). Entrepreneurial Conative Component of Competences: The Case of Slovenia. *Organizacija*, 43(6), 247–256. <https://doi.org/10.2478/v10051-010-0025-y>
- Krzakiewicz, K., & Cyfert, S. (2017). Dynamic capabilities in strategic choice processes within organizations. *Management*, 21(1), 7–19. <https://doi.org/10.1515/manment-2015-0077>
- Lee, S., Kang, M.J. and Kim, B.K. (2022). Factors influencing entrepreneurial intention: Focusing on individuals' knowledge exploration and exploitation activities. *Journal of Open Innovation: Technology, Market, and Complexity*, 8(3), p.165. <https://doi.org/10.3390/joitmc8030165>
- Linan, F; Rodriguez-Cohard, JC; Ruenda-Cantu, J. (2011). Factor affecting entrepreneurial intention levels: a role for education. *Int Entre Manag*, 7, 195–218. <https://doi.org/10.1007/s11365-010-0154-z>
- Madden, T. J., Ellen, P. S., & Ajzen, I. (1992). A Comparison of the Theory of Planned Behavior and the Theory of Reasoned Action. *Personality and Social Psychology Bulletin*, 18(1), 3–
<https://doi.org/10.1177/0146167292181001>
- Malebana, M. J., & Swanepoel, E. (2015). Graduate entrepreneurial intentions in the rural provinces of South Africa. *Southern African Business Review*, 19(1), 89–111. <https://doi.org/10.1080/0376835X.2016.1259990>
- Matzler, K., Bailom, F., Anschöber, M., & Richardson, S. (2009). Hypercompetition, Customer-Value Competition, and the New Role of Market Research. *Innovative Marketing*, 5(2), 6–11.
- Militello, L. G. G. G., Gentner, F. C. C. C., Swindler, S. D. D. D., & Beisner, G. I. I. I. (2006). Conation: Its Historical Roots and Implications for Future Research. *Collaborative Technologies and Systems, 2006. CTS 2006. International Symposium On, JUNE 2006*, 240–247. <https://doi.org/10.1109/CTS.2006.31>
- Miller, D. (2015). A downside to the entrepreneurial personality? *Entrepreneurship: Theory and Practice*, 39(1), 1–8. <https://doi.org/10.1111/etap.12130>
- Mishra, C. S., & Zachary, R. K. (2015). The Theory of Entrepreneurship. *Entrepreneurship Research Journal*, 5(4), 251–268. <https://doi.org/10.1515/erj-2015-0042>
- Morabito, V., (2013). Organizational absorptive capacity and the use of information. *Business technology organization: Managing Digital Information Technology for Value Creation-The SIGMA Approach*, pp.129-142.
- Nason, R.S. and Wiklund, J. (2018). An assessment of resource-based theorizing on firm growth and suggestions for the future. *Journal of management*, 44(1), pp.32-60.
- Nieuwenhuizen, C. (Cecile). (2020). *Business Management: An African Perspective* (C. Nieuwenhuizen, Ed.; 1st ed.). Juta. vbk://9781485130567/page/83
- Ng, H. S., Kee, H. (2018). The core competence of successful owner-managed SMEs. *Management Decision*, 56(1):252–272. Doi: 10.1108/MD-12-2016-0877

Nguyen, N.H., Beeton, R.J. and Halog, A. (2014). SME adaptive capacity in response to environmental requirements: understanding it as a complex adaptive system. *Asian Journal of Business and Management*, 2(1), (1-17).

Nowotarski, P. & Paslawski, J. (2015). Barriers in running construction SME – case study on introduction of agile methodology to electrical subcontractor. *Procedia Engineering*, 122:47–56. Doi: 10.1016/j.proeng.2015.10.006

Okpara, F. (2007). The Value of Creativity and Innovation in Entrepreneurship. *Journal of Asia Entrepreneurship and Sustainability*, 3(2). 1. <http://www.asiaentrepreneurshipjournal.com/AJESIII2Okpara.pdf>

Olawale, F., & Garwe, D. (2010). Obstacles to the growth of new SMEs in South Africa: A principal component analysis approach. *African Journal of Business Management*, 4(5), 729–738.

O'Reilly, C. A., & Tushman, M. L. (2008). Ambidexterity as a dynamic capability: Resolving the innovator's dilemma. In *Research in Organizational Behavior* (Vol. 28, pp. 185–206). <https://doi.org/10.1016/j.riob.2008.06.002>

Oriarewo, G.O., Agbim, K.C. and Zever, T.A. (2014). Relationship between emotional intelligence and entrepreneurial performance: The mediating effect of managerial competence. *International Journal of Economics, Commerce and Management*, 2(10), 1-16.

Orser, B., Hogarth-Scott, S., & Wright, P. (1998). On the growth of small enterprise: the role of intentions, gender and experience. *Frontiers of Entrepreneurship Research*, 366–380.

Pinelli, M., Lechner, C., Kraus, S. and Liguori, E. (2022). Entrepreneurial value creation: conceptualizing an exchange-based view of entrepreneurship, *Journal of Small Business and Enterprise Development*, Vol. 29 No. 2, pp. 261-278. <https://doi.org/10.1108/JSBED-04-2021-0155>

Raven, J., & Stephenson, J. (2001). Chapter 17 – The Conceptualization of Competence. *Competence in the Learning Society*, 253–274.

Ritterbusch, G.D. and Teichmann, M.R., (2023). Defining the metaverse: A systematic literature review. *Ieee Access*, 11, pp.12368-12377.

Robson, I., Ojiako, U. and Maguire, S., 2024. A complexity perspective of dynamic capabilities in enterprise project organizations. *Production Planning & Control*, 35(8), pp.745-769.

Russo, M. & Fouts, P. (2017). A Resource-Based Perspective On Corporate Environmental Performance And Profitability. *Academy of Management Journal*, 40(3), 534-559.

Ryckman, R. (2011). *Theories Of Personality 10th Edition: (10th ed.)*. Wadsworth Cengage Learning.

Samra, R. (2014). A New Look at Our Old Attitude Problem. *Journal of Social Sciences*, 10(4), 143–149. <https://doi.org/10.3844/jssp.2014.143.149>

Sancho-Zamora, R., Hernández-Perlines, F., Peña-García, I. and Gutiérrez-Broncano, S., 2022. The

- impact of absorptive capacity on innovation: The mediating role of organizational learning. *International journal of environmental research and public health*, 19(2), p.842.
- Sarasvathy, S. D. (2001). Causation and effectuation: Toward a theoretical shift from economic inevitability to entrepreneurial contingency. *Academy of Management Review*, 26(2), 243–263. <https://doi.org/10.5465/AMR.2001.4378020>
- Sarwoko, E., & Hadiwidjojo, D. (2013). Entrepreneurial Characteristics and Competency as Determinants of Business Performance in SMEs. *IOSR Journal of Business and Management (IOSR-JBM)*, 7(3), 31–38. <https://doi.org/10.9790/487X-0733138>
- Singer, S., Amorós, E. & Moska, D. (2015). Global Entrepreneurship Monitor: 2014 Global Report. Available from: <https://www.gemconsortium.org/file/open?fileId=49079>
- Sollosy, M. (2013). *A Contemporary Examination of the Miles and Snow Strategic Typology through the lenses of dynamic capability and ambidexterity*. PhD Thesis. Kennesaw State University.
- Statistics South Africa. (2020). *Media release: Quarterly Labour Force Survey Statistics Q3: 2020*. Available from: <http://www.statssa.gov.za/?p=1376>
- Sullivan - Taylor, B. & Branicki, L. (2011). Creating Resilient SMEs: Why One Size Might Not Fit All. *International Journal of Production Research*, 49(18), 5565-5579. DOI: 10.1080/00207543.2011.563837
- Teece, D., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509–533. [https://doi.org/10.1002/\(SICI\)1097-0266\(199708\)18:7<509::AID-SMJ882>3.0.CO;2-Z](https://doi.org/10.1002/(SICI)1097-0266(199708)18:7<509::AID-SMJ882>3.0.CO;2-Z)
- Trafimow, D. (2009). The Theory of Reasoned Action: A Case Study of Falsification in Psychology. *Theory & Psychology*, 19(4), 501–518. <https://doi.org/10.1177/0959354309336319>
- US Chamber of Commerce (2023). The state of small business now. Available at <https://www.uschamber.com/small-business/state-of-small-business-now> (Accessed 06 June 2024)
- Valliere, D. (2015). An Effectuation Measure of Entrepreneurial Intent. *Procedia - Social and Behavioral Sciences*, 169, 131–142. <https://doi.org/10.1016/j.sbspro.2015.01.294>
- van Lieshout, J.W., Van Der Velden, J.M., Blomme, R.J. and Peters, P., 2021. The interrelatedness of organizational ambidexterity, dynamic capabilities and open innovation: a conceptual model towards a competitive advantage. *European Journal of Management Studies*, 26(2/3), pp.39-62.
- Van Tonder, C. (2019). Entrepreneurial support and entrepreneurial intention of the youth in Gauteng. *Acta Universitatis Danubius. Œconomica*, 40-53.
- Wadhvani, R. D., Kirsch, D., Welter, F., Gartner, W. B., & Jones, G. G. (2020). Context, time, and change: Historical approaches to entrepreneurship research. *Strategic Entrepreneurship Journal*, 14(1), 3–19. <https://doi.org/10.1002/sej.1346>
- Wagener, S. L., Gorgievski, M. J., & Rijdsdijk, S. A. (2010). Businessman or Host ? Individual Differences between Entrepreneurs and Small Business Owners in the Hospitality Industry REPORT

SERIES. *The Service Industries Journal*, 30(9), 1513–1527.
<https://doi.org/10.1080/02642060802624324>

Waisel, L. (2013). On Kolbe Capabilities and Research. *Kolbe Corporation*.

Wang, C., & Ahmed, P. (2007). Dynamic Capabilities : A Review and Research Agenda Dynamic Capabilities : A Review and Research Agenda. *The International Journal of Management Reviews*, 9(2007), 31–51. <https://doi.org/10.1111/j.1468-2370.2007.00201.x>

Wigfield, A. (1994). Expectancy-value theory of achievement motivation: A developmental perspective. *Educational Psychology Review*, 6(1), 49–78. <https://doi.org/10.1007/BF02209024>

Wiklund, J., Davidsson, P., & Delmar, F. F. F. (2003). What do they think and feel about growth? An expectancy-value approach to small business 'managers' attitudes toward growth. *Entrepreneurship Theory and Practice*, 27(3), 109–138. <https://doi.org/10.1111/1540-8520.t01-1-00003>

Lv, Y., Chen, Y., Sha, Y., Wang, J., An, L., Chen, T., Huang, X., Huang, Y. and Huang, L. (2021). How entrepreneurship education at universities influences entrepreneurial intention: Mediating effect based on entrepreneurial competence. *Frontiers in psychology*, 12, 655868.

Zainol, N. & Mamun, A. (2018). Entrepreneurial competency, competitive advantage and performance of informal women micro-entrepreneurs in Kelantan, Malaysia. *Journal of Enterprising Communities*, 12(3), 299-321.

Zahra, S. A., Sapienza, H. J., & Davidsson, P. (2006). Entrepreneurship and Dynamic Capabilities: A Review, Model and Research Agenda. *Journal of Management Studies*, 43(4), 917–955.
<https://doi.org/10.1111/j.1467-6486.2006.00616.x>